

REGISTERED NUMBER: 08682736 (England and Wales)

Financial Statements for the Year Ended 31 March 2017

for

Shuban 6 Limited

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for the Year Ended 31 March 2017

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DIRECTORS:

J P Moulton
D Seshamani

REGISTERED OFFICE:

c/o Greensphere Capital LLP
Pavilion
96 Kensington High Street
London
W8 4SG

REGISTERED NUMBER:

08682736 (England and Wales)

AUDITORS:

RD Accounting Limited
23 Mount Road
Fairfield
Bromsgrove
Worcestershire
B61 9LN

Balance Sheet
31 March 2017

	Notes	31.3.17 £	£	31.3.16 £	£
FIXED ASSETS					
Investments	3		279,870		1,027,551
CURRENT ASSETS					
Debtors	4	33,240		45,747	
Cash at bank		<u>4,434</u>		<u>5,759</u>	
		37,674		51,506	
CREDITORS					
Amounts falling due within one year	5	<u>256,624</u>		<u>190,521</u>	
NET CURRENT LIABILITIES			<u>(218,950)</u>		<u>(139,015)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			60,920		888,536
CREDITORS					
Amounts falling due after more than one year	6		<u>1,055,989</u>		<u>1,071,740</u>
NET LIABILITIES			<u>(995,069)</u>		<u>(183,204)</u>
CAPITAL AND RESERVES					
Called up share capital	8		200		200
Retained earnings			<u>(995,269)</u>		<u>(183,404)</u>
SHAREHOLDERS' FUNDS			<u>(995,069)</u>		<u>(183,204)</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors on 22 December 2017 and were signed on its behalf by:

D Seshamani - Director

Notes to the Financial Statements
for the Year Ended 31 March 2017

1. STATUTORY INFORMATION

Shuban 6 Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a high degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements include the valuation of unlisted equity investments and the impairment of loan note investments. Investments held by the Company as at 31 March 2017 are detailed in note 3.

Interest receivable

Interest receivable on loan note instruments is accounted for on an accruals basis, and recognised in the Statement of Comprehensive Income in the year to which it relates. Any interest amount due, but not received on a repayment date, is consolidated with the principal amount as per the contractual obligations of the loan note instrument and shall itself bear interest at the rate provided within the loan note.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; or
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

2. ACCOUNTING POLICIES - continued

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Going concern

The Company's principal investment is in the Greensphere Biomass 1 Limited group.

The subsidiary and main trading company of Greensphere Biomass 1 Limited, Western Bio-Energy Limited, went into administration in November 2016 and is subsequently expected to come out of administration in December 2017 after receiving new funding by way of a term loan. In December 2017, the Company along with the other investors of Greensphere Biomass 1 Limited agreed to defer the loan note interest and capital repayments until a later date.

The directors consider that as the Company is unlikely to receive income from its investment within the next twelve months, that the loan note holders will continue to provide additional funding to enable the Company to meet its liabilities as and when they become due. The directors consider that the Company will continue in operational existence for the foreseeable future and consequently the financial statements have been prepared on the going concern basis.

Interest bearing loans and borrowings

All interest bearing loans and borrowings meet the definition of a basic financial instrument under FRS 102 chapter 11 and are initially recognised at fair value net of transaction costs incurred. The Company's financial liabilities consist of only financial liabilities measured at amortised cost. These include shareholder loan notes, trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Trade creditors and amounts due to related parties

Trade creditors and amounts due to related parties are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the Statement of Comprehensive Income.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Interest payable

Interest payable on loan note instruments is accounted for on an accruals basis, and recognised in the Statement of Comprehensive Income in the year to which it relates.

Valuation of investments

Investments in unlisted company shares are initially measured at cost and are remeasured to fair value at each Statement of Financial Position date.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

2. ACCOUNTING POLICIES - continued

Other financial assets

Other financial assets include investments in loan note instruments which meet the definition of a basic financial instrument under FRS102 Chapter 11 and are initially recognised at fair value net of transaction costs incurred. These are subsequently measured at amortised cost using the effective interest method. Other financial assets are tested for impairment at least annually. Any impairment is recognised immediately in the income statement. Subsequent reversals of impairment losses for other financial assets are not recognised.

3. FIXED ASSET INVESTMENTS

	Fixed rate loan notes £
At 1 April 2016	1,027,551
Loan note additions - Biomass	
loan interest capitalised	141,839
Unrealised movement in fair value Impairment	(889,520)
At 31 March 2017	<u>279,870</u>

The Company has purchased 2 classes of loan notes from Greensphere Biomass 1 Limited which, in total, amount to £1,311,181 (2016: £1,169,342) including capitalised interest.

During a previous period the quarterly principle repayments of 2.5%, which were due under the loan instruments, were deferred by the Company until further notice.

Interest is charged on outstanding balances at 11% and 13% per annum. On 10 April 2016, loan interest of £13,953 due in relation to the 11% loan note investment and loan interest of £19,802 due in relation to the 13% loan note was capitalised. On 10 July 2016, loan interest of £14,320 due in relation to the 11% loan note investment and loan interest of £20,415 due in relation to the 13% loan note was capitalised. On 10 October 2016, loan interest of £14,861 due in relation to the 11% loan note investment and loan interest of £21,282 due in relation to the 13% loan note was capitalised. On 10 January 2017, loan interest of £15,258 due in relation to the 11% loan note investment and loan interest of £21,947 due in relation to the 13% loan note was capitalised.

Interest accrued during the year was £145,080 (2016: £130,694), of which £33,240 (2016: £29,998) remains outstanding at the year end.

The Company holds a 4.2% equity shareholding in Biomass. This was impaired to £nil in a previous period.

The impairment loss recognised in the year was £889,520 (2016: £97,566) which arose as a result of estimated fair value at the financial year-end being measured at lower than the carrying value of investments. At the balance sheet date, the total impairment provision totals £1,031,312 (2016: £141,791).

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17 £	31.3.16 £
Loan note interest receivable	33,240	29,998
Unpaid drawdowns	-	15,749
	<u>33,240</u>	<u>45,747</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17	31.3.16
	£	£
Interest payable	210,633	126,154
Management fee payable	25,000	27,913
Other payables	20,991	36,454
	<u>256,624</u>	<u>190,521</u>

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.17	31.3.16
	£	£
Shareholder loan notes	<u>1,055,989</u>	<u>1,071,740</u>

The Company shall repay such proportion of the principal amount of the outstanding loan notes as it shall in its sole discretion determine. Until the notes are repaid, interest on the principal amount of the notes outstanding shall accrue at a rate of 8% per annum, accruing daily. Interest accrued in the year totalled £84,479 (2016: £84,774) of which £210,633 (2016: £126,154) remains outstanding at the year end.

7. FINANCIAL INSTRUMENTS

The Company's financial instruments may be analysed as follows:

Financial Assets as at 31 March 2017	Measured at amortised cost	Measured at fair value	Total
£ £ £			
Greensphere Biomass 1 Limited			
Fixed rate loan notes - 11%	587,699	(462,256)	125,443
Fixed rate loan notes - 13%	723,482	(569,056)	154,426
Equity - 423 shares of £0.00 each (note 3)	-	-	-
	<u>1,311,181</u>	<u>(1,031,312)</u>	<u>279,869</u>
Financial Liabilities as at 31 March 2017			
Livingston Estates Limited- Fixed rate loan notes 8%	(254,227)	-	(254,227)
Stobart AD1 Limited - Fixed rate loan notes 8%	(801,762)	-	(801,762)
	<u>(1,055,989)</u>	<u>-</u>	<u>(1,055,989)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

Financial Assets as at 31 March 2016	Measured at amortised cost	Measured at fair value	Total
£ £ £			
Greensphere Biomass 1 Limited			
Fixed rate loan notes - 11%	529,307	(64,318)	464,989
Fixed rate loan notes - 13%	640,035	(77,473)	562,562
Equity - 423 shares of £0.00 each (note 3)	-	-	-
	<u>1,169,342</u>	<u>(141,791)</u>	<u>1,027,551</u>
Financial Liabilities as at 31 March 2016			
Livingston Estates Limited- Fixed rate loan notes 8%	(254,730)	-	(254,730)
Stobart AD1 Limited - Fixed rate loan notes 8%	(817,010)	-	(817,010)
	<u>(1,071,740)</u>	<u>-</u>	<u>(1,071,740)</u>

8. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.17 £	31.3.16 £
10,000	A shares	£0.01	100	100
10,000	B shares	£0.01	<u>100</u>	<u>100</u>
			<u>200</u>	<u>200</u>

9. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Material uncertainty related to going concern

We draw attention to the going concern accounting policy in note 2 of the financial statements which indicates that the company is reliant on the continued support from the loan note holders. As stated in this note, these conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Richard Dunkley FCCA (Senior Statutory Auditor)
for and on behalf of RD Accounting Limited

10. **POST BALANCE SHEET EVENTS**

On 10 April 2017, accrued interest in relation to loan note investments in Biomass amounting to £37,454 was due to be received. On this date 100% of this amount was capitalised against the loan notes.

On 10 July 2017, accrued interest in relation to loan note investments in Biomass amounting to £38,965 was due to be received. On this date 100% of this amount was capitalised against the loan notes.

On 10 October 2017, accrued interest in relation to loan note investments in Biomass amounting to £40,544 was due to be received. On this date 100% of this amount was capitalised against the loan notes.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

In December 2017, the Company's principal investment company, Greensphere Biomass 1 Limited received additional funding to settle the outstanding liabilities and to invest in capital and maintenance works of its subsidiary, Western Bio-Energy Limited. As a result, Western Bio-Energy Limited is expected to come out of administration in December 2017.

On the 12 December 2017, the Company along with the other loan note holders of Greensphere Biomass 1 Limited have agreed to defer the scheduled redemption of the loan notes and interest payments until October 2019.

11. **EMPLOYEES**

No Directors were remunerated through the Company in the year (2016: none). The company had no other employees.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.